



6.4.3 Petty Cash Fund

Chapter 6 - Fiscal	Original Effective Date: May 2000
Section: 6.4 Bursar	Date Last Reviewed: August 2021
Responsible Entity: Assistant Vice President for Business Affairs	Date Last Revised: August 2021

I. Purpose

To provide guidance for the authorization, establishment, and replenishment of petty cash funds, including appropriate uses and security standards.

II. Scope

This Policy applies to departments and units utilizing petty cash funds and individuals responsible for security and accounting of funds.

III. Policy

A. Overview

UT Health San Antonio has established petty cash funds for the following uses only:

1. approved research study participant payments;
2. as a change fund for a cashier operation; or,
3. to reimburse employees for non-recurring, unexpected expenditures up to \$100 for any one transaction.

Petty cash funds represent idle funds and create an ongoing need for security, recordkeeping, and audit. Although authorized petty cash funds may be established for extraordinary situations, the use of electronic purchasing cards (ProCard) is preferable. Only temporary petty cash funds should be established. Ultimate fiduciary responsibility for the fund shall reside with the department head and custodian under which the fund is established. Established bank accounts for remote locations are not to be classified as, or used as, petty cash funds.

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B. Types of Petty Cash Funds

1. Study Participant - to be used to pay participants of a study. Please see Institutional Handbook of Operating Policies (IHOP), Policy [7.7.2, Management of Research Participant Payments](#) for comprehensive details.
2. Departmental Change Order - to be used for making change for sales and/or services provided by a department.
3. Imprest fund - to be used to purchase miscellaneous items or minor unanticipated expenditures that will remain on campus. UT Health San Antonio maintains an institutional imprest petty cash fund which can be used to reimburse employees for such expenditures.

C. Process for Obtaining a Petty Cash Fund

To obtain a petty cash fund, a [Petty Cash Fund Request Form](#) must be submitted. If the fund on the request is 41000-44999, the request must be approved by the Office of Sponsored Programs prior to submitting the form to the Office of the Bursar for final review and approval. The form requires:

1. The name and location of the department requesting the fund.
2. Identification of the fund type being requested.
3. The project identification number from which to draw the fund.
4. The authorized signature(s) for the project identification number.
5. Justification and planned duration of the fund.
6. Name badge identification number and job classification of the fund's designated custodian.
7. The custodian's phone number and physical location on campus.
8. Process for maintenance of the fund (specific to research participant payments only, see IHOP Policy [7.7.2, Management of Research Participant Payments](#) for details).
9. Dollar amount to be maintained in the fund.

Prior to the fund being issued, a new custodian must complete a prerequisite training course (*BUR Departmental Petty Cash Fund [WBT]*) available on the UT Health Learns platform and attach a copy of the learning transcript or certificate of completion to the Petty Cash Request Form. The Office of the Bursar will notify the requesting department upon approval of the fund. Once notified, the custodian is required to fill out a custody receipt at the Cashiers' Window of the Office of the Bursar. The custody receipt cites specific responsibilities of the custodian. The custodian agrees, by signature, to abide by institutional policies.

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D. Requirements for use of Petty Cash Funds

The use of a Petty Cash fund is exclusively for the purpose for which the fund was originally requested and approved. There are no exceptions.

1. A petty cash fund may not be co-mingled with personal or other institutional funds; may not be used to cash checks, IOU's, or to give loans; and is never to be shared with anyone for any reason.
2. Any discrepancy in petty cash funds shall be the personal responsibility and liability of the custodian(s) and the department head.
3. Any petty cash funds found to be misappropriated or out of balance without cause will be immediately closed and appropriate action taken by the Office of Internal Audit & Consulting Service or campus police.
4. The custodian is required to balance petty cash funds after each payment. The fund is to be balanced at least weekly by the custodian regardless of use.
5. Overages/shortages of \$25 in a single incident or in aggregate during a one-month period, by a custodian must be investigated by the supervisor
6. Under no circumstances are petty cash funds to be deposited in a personal bank account.
7. If the fund has not been used for three fiscal quarters, it must be closed.

It is the responsibility of the custodian to obtain a lock box and receipts for the fund. The cash and receipts should be kept in the lock box at all times. The custodian must ensure that the sum of cash and receipts equals the total fund given at all times. These funds are subject to audit; therefore, copies of receipts must be maintained by the custodian. The receipts should reflect the signature of the participant, description of service, amount received, and the participant's unique identification number for recordkeeping.

Any changes in administration or use of the fund, including if the custodian leaves the department or UT Health San Antonio; if the petty cash fund is no longer required; if the grant expires: or, if the project identification number or fund amount changes, it is the responsibility of the custodian to present all cash, all receipts, or a combination of both to the Office of the Bursar's Cashier's Window for closure.

The custodian of a patient participant fund is also responsible for maintaining records of amounts paid to all individuals for tax reporting purposes. This information is provided to the Office of Accounting for Internal Revenue Services (IRS) [Form 1099-MISC](#) statements.

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E. Requirements for Purchases with Petty Cash Funds

All regulation and restrictions governing the types of items purchased from institutional funds are applicable to petty cash purchases. Employees may seek reimbursement of miscellaneous, non-recurring expenditures from the institutional petty cash at the Office of the Bursar.

1. Petty cash reimbursement is limited to purchases totaling \$100 per day, per person, regardless of fund source. Various receipts with the same purchase date may not exceed the \$100 limit. Purchases may be made from different suppliers or Project ID; however, the total amount for each purchase date may not exceed \$100. Submitting receipts on separate reimbursement forms and/or separate days and/or payable to persons who did not make the purchases to avoid the \$100 limit is fraudulent.
2. State and local sales tax cannot be reimbursed. In order to avoid paying sales tax, a tax exemption letter, [The State Sales Tax Exemption Certificate](#), should be presented to the vendor at time of purchase.
3. Proof of purchase in the form of a valid receipt must be obtained from the supplier. A “valid receipt” is defined as an original sales slip, cash register receipt, shipping invoices or credit card slip which bears the following information:
 - a. The name of the supplier to whom payment was made.
 - b. The date of the purchase.
 - c. A description of the items purchased.
 - d. The cost of the items purchased.
 - e. Type of payment made.
4. Petty cash purchases must be submitted for reimbursement within sixty (60) days from the date on the receipt.
5. Goods or services provided by various departments within the institution cannot be purchased from an outside source. Examples include postage, items available in General Stores, or services available from Academic Technology Services.

F. Acceptable Petty Cash Purchases

Purchases that qualify for reimbursement through petty cash include:

1. Office and lab supplies, for institutional use only, that are not available through General Stores, Today's Office, UT Graphic Services, or the UT Computer Store.
2. Payments to patients or participants in research studies. A supporting receipt must accompany and include an original signature of the patient or donor and description of services.

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G. Unacceptable Petty Cash Purchases

Purchases that do not qualify for reimbursement through petty cash include:

1. Travel expenditures (i.e., taxi fares, off-campus parking fees, registration fees).
2. Items that will not remain within the UT Health San Antonio campus.
3. Entertainment expenditures.
4. Food and drinks for any purpose (i.e., meetings, conferences, workshops).

H. Procedures for Obtaining Reimbursement

To obtain reimbursement for petty cash purchases, the [Petty Cash Reimbursement Voucher \(PCV\)](#) must be submitted at the Cashiers' Window. The PCV requires:

1. The name of the person being reimbursed.
2. The total amount of the reimbursement.
3. The departmental project identification number from which the reimbursement is being made.
4. A description of the item(s) purchased.
5. The purpose of the items purchased.
6. The reason why the purchase was made off campus.
7. The payee's signature and date.
8. An original signature of an individual authorized to expend funds from the Project ID and date.
9. If the payee and the authorized signature are the same person, a witness signature is required.
10. A valid receipt totaling the amount to be reimbursed. (Please refer to IHOP Policy [6.1.10 Required Payment Request Documentation](#) for a definition of a valid receipt.)

IV. Definitions

When used in this document with initial capital letter(s), the following words have the meaning set forth below unless a different meaning is required by context.

Petty Cash Voucher – the [Petty Cash Reimbursement Voucher](#) (PCV) is a daily summary of all reimbursements issued for a particular business day. The reference number assigned to each PCV consists of the business date (PCVMM-DDYY). For example, a PCV is processed on September 15th, 2008. The reference number will be PCV09-1508. PCV reimbursements are posted to the individual departmental ledgers. For corrections in PCV reimbursements, please refer to IHOP Policy [6.1.13, Inter-Departmental Transfers \(IDT\)](#).

V. Related References

See the Office of the Bursar webpage for frequently asked questions concerning petty cash funds: https://uthscsa.edu/business/bursar/faculty_faq.html.

VI. Review and Approval History

- A. The approving authority of this policy is the University Executive Committee.
- B. The review frequency cycle is set for three years following the last review date, a time period that is not mandated by regulatory, accreditation, or other authority.

Effective Date	Action Taken	Approved By	Date Approved
05/2000	Policy Origination		
05/2016	Policy Revision		
08/2021	Policy Revision, discretionary edits		